

New Pipeline Could Trim Nabucco Route

By [The Moscow Times](#)

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BAKU, Azerbaijan — Competition between Azerbaijan and Russia for natural gas sales markets in Europe will increase over time, Sabit Bagirov, president of the State Oil Company of the Azerbaijani Republic (SOCAR) in 1992-93, told Interfax.

"An eventual increase in competition between Azerbaijan and Russia is dictated by certain forecasts, which say that Europe's needs for natural gas could fall due to the search for alternative sources of energy," said Bagirov, who currently heads Azerbaijan's Foundation for the Promotion of Entrepreneurship Development and Market Economics.

It is only natural for gas exporting countries to search for new supply routes for their energy resources on European markets, he said. "And Europe, for its part, is interested in a display of such competition, since it believes that it will serve to lower the price on natural gas," Bagirov said.

Late last year, a memorandum was concluded between Azerbaijan and Turkey on constructing the Trans Anadolu Dogalgaz Pipeline, which will result in serious adjustments to the Nabucco

construction project, he said.

"With the implementation of the Trans Anadolu Dogalgaz Pipeline, the necessity to construct the Turkish section of Nabucco will disappear, and the builder will only need the gas pipeline section from Turkey through Bulgaria to the distribution point in Baumgarten in Austria. In other words, with the implementation of the Trans Anadolu Dogalgaz Pipeline, only that section of the Nabucco route falling on European territory will need to be built," Bagirov said.

At the end of December, SOCAR, the Turkish company Botas and Turkish national oil company TPAO signed a memorandum creating a consortium for constructing the Trans Anadolu Dogalgaz Pipeline. SOCAR will hold an 80 percent stake in the consortium.

According to the memorandum, other international gas companies engaged in oil and gas production can also join the consortium. The memorandum is a supplement to the gas agreement signed between Azerbaijan and Turkey in Izmir on Oct. 25, 2011.

Construction of the Trans Anadolu Dogalgaz Pipeline is estimated to cost \$5 billion.

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Russia resumed exporting its crude via the Atasu-Alashankou oil pipeline in Kazakhstan after renewing transit shipment agreement, Bloomberg reported Wednesday, citing KazTransOil.

The world's largest oil producer pumped 200,000 tons of crude to China in December after a more than two-year lapse, according to the Kazakh national pipeline operator. "In December 2011, shipments of Russian oil were renewed along the Omsk-Pavlodar-Atasu-Alashankou route," the company said in a statement on its web site.

Crude deliveries via the pipeline to China grew 8 percent to 10.9 million tons, or 218,775 barrels per day, last year, KazTransOil said. Overall exports advanced 3 percent to 54.02 million tons, according to the company, which is a unit of the Kazakhstan's KazMunaiGaz. A KazTransOil subsidiary in Georgia, the Batumi Oil Terminal, reduced crude and oil product loadings by 12.4 percent to 5.4 million tons last year, Interfax reported Wednesday, citing unidentified company officials. Crude shipments were down 17 percent to 4.2 million tons, or 84,486 bpd, Interfax said.

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